

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Establish  
Policies and Rules to Ensure Reliable, Long-Term  
Supplies of Natural Gas to California.

Rulemaking 04-01-025  
(Filed January 22, 2004)

**ADMINISTRATIVE LAW JUDGES' RULING  
REGARDING MOTION FOR ONE-MONTH EXTENSION FOR PHASE II**

**Summary**

Today's ruling grants the motion of Pacific Gas and Electric Company (PG&E) to extend the schedule in this rulemaking (R.04-01-025) for the filing of the Phase II proposals and related pleadings by one-month.

**Background**

PG&E filed a motion on February 25, 2004, requesting a one-month extension of the filing date for the Phase II proposals as set forth in R.04-01-025, which was initiated by the Commission on January 22, 2004. Included in the motion was a request to shorten the time to respond to PG&E's motion. In an e-mail to the service list on February 26, 2004, Administrative Law Judge Wong granted PG&E's request to shorten the time for filing a response to PG&E's motion for a one-month extension.<sup>1</sup> In that e-mail, the date for filing a response to PG&E's motion was set for March 2, 2004.

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<sup>1</sup> Although PG&E's motion only requested a one-month extension for the utilities to file their Phase II proposals, PG&E clarified in a February 26, 2004 e-mail that it would also seek a one-month extension of the other scheduled dates for filing of pleadings related to Phase II.

On February 26, 2004, PG&E filed a clarification to its motion, requesting that the other dates for filing pleadings related to the Phase II proposals be extended by one-month as well.

On March 2, 2004, San Diego Gas & Electric Company (SDG&E) and Southern California Gas Company (SoCalGas) filed a joint response to PG&E's motion, as changed by PG&E's clarification. Kern River Gas Transmission Company (Kern River) also filed a response to PG&E's motion on March 2, 2004.

The Phase II schedule, as set forth in R.04-01-025, is as follows:

Respondent Utilities' Phase II Proposals	March 23, 2004
Interested Parties' Phase II Comments	May 4, 2004
Respondent Utilities' Replies	May 18, 2004

PG&E requests that the filing dates for the Phase II filings be extended by one month. PG&E proposes the following due dates:

Respondent Utilities' Phase II Proposals	April 23, 2004
Interested Parties' Phase II Comments	June 4, 2004
Respondent Utilities' Replies	June 18, 2004

### **Positions of the Parties**

In its motion, PG&E notes that it is authorized to state that the following parties either support, or do not oppose, the request for a one-month extension of the Phase II schedule: Southwest Gas Corporation; the Office of Ratepayer Advocates; The Utility Reform Network; The California Manufacturers and Technology Association, the California Cogeneration Council, the Southern California Generation Coalition, the Northern California Generation Coalition;

Southern California Edison Company; Wild Goose Storage LLC; Calpine Corporation; Dynegy, Inc.; and Duke Energy North America, LLC.<sup>2</sup>

PG&E requests that an extension be granted because of “the complexity and importance of the issues to be addressed in Phase II, and the comprehensive nature of the proposals the Commission intends the utilities to make.” Such an extension will allow for the Commission to have the “best and most complete record” of the issues to be addressed in Phase II. (PG&E Motion, p. 2.)

SDG&E and SoCalGas have no objection to PG&E’s request to extend the Phase II schedule by one-month. They state, however, that any extension of the Phase II portion of this rulemaking should not in any way delay the Phase I policy decision, which they request be adopted by June 2004.

Kern River is opposed to PG&E’s extension request. Kern River states that it expects that some Phase II issues must be resolved in a timely manner. Among the timely Phase II issues is the need to address “additional interconnection capacity at constrained receipt points, such as Wheeler Ridge or Topock.” Resolution of the Phase II issues in a timely manner will permit local distribution companies such as PG&E and SoCalGas, and other customers, “to contract for new capacity on interstate pipeline projects, such as the next expansion of Kern River.” If PG&E’s extension request is granted, Kern River states that this “could negatively impact the current timeline for resolution of the Phase II issues, such as the necessity for and ratemaking treatment of utility intrastate expansions to access new gas supply.” Kern River contends that the timely resolution of these kinds of ratemaking and rate design issues “are critical to customer decisions

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<sup>2</sup> In a February 26, 2004 e-mail message to the service list, counsel for BHP Billiton stated that it did not oppose PG&E’s extension request so long as the other Phase II dates were extended as well.

regarding additional capacity on new projects, such as Kern River 3.” (Kern River Response, pp. 1-3.)

## Discussion

We have considered PG&E’s motion, and the positions of the other parties. An extension of the Phase II schedule will not interfere with the processing of a decision in Phase I. Nor do we believe that a one-month extension of the Phase II schedule will adversely impact the expansion plans of Kern River, or the commitments by customers to use the additional expansion capacity that Kern River may be planning. A one-month extension will provide us with the opportunity to focus on the Phase I issues initially, and then provide additional time to focus on the timely resolution of Phase II issues.

Accordingly, the motion of PG&E for a one-month extension of the Phase II schedule in this rulemaking is granted. The new filing dates for Phase II shall use the dates proposed by PG&E.

Therefore, **IT IS RULED** that:

1. The February 25, 2004 motion of Pacific Gas and Electric Company (PG&E), as changed by PG&E’s February 26, 2004 clarification, to extend the Phase II filing schedule by one-month, is granted.
2. The new filing dates for Phase II of this rulemaking shall be as follows:

Respondent Utilities’ Phase II Proposals	April 23, 2004
Interested Parties’ Phase II Comments	June 4, 2004
Respondent Utilities’ Replies	June 18, 2004

Dated March 5, 2004, at San Francisco, California.

/s/ DAVID K. FUKUTOME  
David K. Fukutome  
Administrative Law Judge

/s/ JOHN S. WONG  
John S. Wong  
Administrative Law Judge

**CERTIFICATE OF SERVICE**

I certify that I have by mail, and by electronic mail to the parties to which an electronic mail address has been provided, this day served a true copy of the original attached Administrative Law Judges' Ruling Regarding Motion for One-Month Extension for Phase II on all parties of record in this proceeding and in Rulemaking 02-06-041 or their attorneys of record.

Dated March 5, 2004, at San Francisco, California.

/s/ KE HUANG

Ke Huang

**N O T I C E**

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to ensure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

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